

June 8, 2000

The Honorable Dennis Hastert
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

I am pleased to provide you with the Department of the Treasury's response to the Report of the International Financial Institution Advisory Commission (the Commission). This response is made pursuant to section 603(i)(1) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999.

As underscored in our response, we agree with a number of broad policy objectives that underlie the Commission's Report. However, we believe that the core recommendations in the majority report, if implemented, would weaken the International Monetary Fund and the multilateral development banks to the point that they would no longer be able to serve vital U.S. interests in responding effectively to financial crises or in promoting market-oriented reform and development in emerging market economies.

The administration is committed to pursuing an ambitious and responsible program of reform in these institutions. In consultation with Congress, we have already made significant progress, and we look forward to working with Congress to achieve critical further reforms.

Sincerely,

Lawrence H. Summers

Enclosure